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DECREE ON ORGANIZATION AND OPERATIONS
OF BULGARIAN STATE SAVINGS BANK

The following decree, No 439, of the Presidium of the Bulgarian People's Assembly of 25 August 1951, defines the organization, functions, and operation of the State Savings Bank.

I. INTRODUCTION

1. The State Savings Bank is a centralized savings institution operating as a separate legal entity on a self-supporting basis.

The State Business Law is not applicable to the State Savings Bank.

The terms "Spestovna Kasa" (Savings Bank) and "Spestovna Knizhka" (Savings Book) may be used only by the State Savings Bank.

2. The State Savings Bank of the Bulgarian People's Republic assures Bulgarian citizens the benefits of a handy, profitable, and sure method of protection for their savings. Organized investment and sale of internal state loan bonds contribute to the accumulation of funds necessary for the development of the national economy.

3. The Main Office of the State Savings Bank is located in Sofia.

4. The State Savings Bank is under the jurisdiction of the Ministry of Finance.

5. Deposits and valuables entrusted to the State Savings Bank are guaranteed by the state.

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6. In accordance with conditions fixed by the Main Office of the Bulgarian National Bank, the State Savings Bank can open current and savings accounts for the following: post offices, state establishments and enterprises, including enterprises of people's soviets, farm workers' cooperatives, artisan production and labor associations, and other cooperatives and organizations at places where the Bulgarian National Bank maintains no branch offices.

7. The State Savings Bank is exempt from payment of taxes.

Papers and documents pertaining to operations of the State Savings Bank are exempt from stamp tax.

8. The okrug, okoliya, rayon. and village people's soviets, as well as the permanent committees for encouraging savings, assist the State Savings Bank in the performance of its duties.

II. OPERATIONS OF THE STATE SAVINGS BANK

9. The State Savings Bank accepts from the people the following deposits: demand, time, special, premium /sic/ and current accounts.

10. The State Savings Bank aids the launching of internal state loans by popularizing the loans; it assists in the operation by organizing subscriptions and collecting payments, by submitting the bonds to the subscribers, by drawing the lots for redemption and prizes, by cashing in bonds which have reached maturity, by distributing the prizes and redeeming the bonds, and by accepting bonds for safekeeping.

11. At the request of depositors, the State Savings Bank makes payments by check in the manner determined by the Minister of Finance.

12. The State Savings Bank may issue letters of credit payable at those branches of the bank which have a letter of credit service.

Letters of credit may be issued for amounts not exceeding 300,000 leva.

13. The State Savings Bank makes transfers, accepts payments on taxes, makes payments on pensions, and performs all other operations which are entrusted to it by the Minister of Finance.

III. RIGHTS OF DEPOSITORS OF THE STATE SAVINGS BANK

14. The State Savings Bank extends its facilities to Bulgarian citizens and foreigners alike.

15. Any person may open one or more deposit accounts in his own name.

The person in whose name the account has been opened in the State Savings Bank is considered the owner of the deposit.

16. The State Savings Bank fixes no limit on deposits.

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The minimum initial deposit for demand deposit accounts is 100 leva, and for time deposit accounts, 3,000 leva.

The depositors have the right to keep their investments in the State Savings Bank for an unlimited time.

17. The depositor has the unrestricted right to dispose of his investment personally or by proxy. The depositor has the right to ask that his investment be transferred from one department of the bank to another.

18. The following persons may dispose of deposits made in the name of minors:

- a. For children up to 14 years of age, their parents or legal guardians.
- b. For minors from 14 to 18 years of age, the minors themselves, with the consent of their parents or legal guardians.

Minors such as students, workers, employees, etc., who make deposits on their own account in the State Savings Bank, from their earnings or allowances sent by relatives, may dispose freely of their deposits; the consent of their parents or guardian is not needed.

19. On the death of the depositor, his deposits are distributed to his heirs, upon presentation of the required documents, in accordance with their shares in the estate, as prescribed by law.

The heirs may draw up to 5,000 leva as advance on the deposits, in accordance with the procedure established by the Minister of Finance, without presenting certificates to the effect that they are the legal heirs.

If the State Savings Bank is presented with a will, or a copy of it, before making payment on the deposit of the deceased, such payment is to be made in accordance with the provisions of the will, after it has been read, and in observance of the law covering the disposable part of the estate.

20. The State Savings Bank computes interest on the deposits or pays premiums according to the type of deposit. The interest rate or the amount of premiums is determined by the Council of Ministers, in accordance with the recommendation of the Minister of Finance.

Interest is computed at the end of the year.

21. Interest and premiums on deposits are not taxable.

22. All persons employed by the State Savings Bank, including those associated with it as auditors or certified accountants, are required to maintain secrecy on all information concerning deposits or operations.

Information on deposits may be supplied only upon demand of agents of the courts and the public prosecutor's office.

Officials who violate this provision will be prosecuted.

Information on the accounts of state establishments, enterprises, and organizations can be supplied only to the higher echelons of these organizations or to persons entrusted with certain audit functions [Financial control functions].

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23. Deposits and interest in the State Savings Bank up to 300,000 leva cannot be seized for private and public debts unless it is proved through judicial proceedings that the deposits have been acquired through criminal acts. The decision of the court should specify who is to receive such deposits.

Seizure of deposits is carried out at the place where the account is maintained.

24. The provisions of Articles 19, 21, 22, and 23 of the present regulation are applicable also to bonds left for safekeeping in the State Savings Bank.

IV. MANAGEMENT AND ORGANIZATION OF THE STATE SAVINGS BANK

25. The Minister of Finance manages and supervises the activities of the State Savings Bank in the following way:

- a. He issues directives and approves important orders.
- b. He approves the list of operations performed by the different departments of the bank.
- c. He establishes the procedure by which the State Savings Bank may grant up to 5,000 leva to heirs of a deceased depositor.
- d. He determines the manner in which the bank will carry on its operations.
- e. He submits for approval by the Council of Ministers:
 - (1) The One-Year Plan and the annual statement of the bank
 - (2) The schedule for interest rates, taxes, and charges which the bank enforces in its operations.

26. The management of the State Savings Bank consists of:

- a. The Board of Managers of the State Savings Bank for the entire country
- b. The managements of the okrug savings banks in the respective okrugs.

27. The State Savings Bank has the following operational branches:

- a. Okoliya savings banks from third to first class
- b. Agencies from third to first class.

The State Savings Bank may open its own okoliya branches in industrial centers which are not okoliya centers, in large cities, such as Sofia, Plovdiv, etc. It may also open a number of rayon savings banks.

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A. Board of Managers of the State Savings Bank

28. The State Savings Bank is administered by a Board of Managers which is composed of a chairman, deputy chairmen, and the required number of heads of offices.

29. The chairman of the State Savings Bank is appointed and dismissed through a decree of the Presidium of the People's Assembly, on the recommendation of the Minister of Finance.

The deputy chairmen are appointed and dismissed by the Council of Ministers, on the recommendation of the Minister of Finance.

The heads of offices are appointed and dismissed by the Minister of Finance, on the recommendation of the chairman of the Bank.

30. The bank is represented by the chairman and by officials designated by him. The chairman may designate persons not members of his staff to perform special duties.

31. The Board of Managers of the State Savings Bank has the following functions:

- a. To encourage thriftiness and organize savings in the country by making use of all the different forms of propaganda
 - b. To draw plans for encouraging savings and to work for the fulfillment of these plans
 - c. To organize and carry out subscriptions for internal state loans and their payment, to draw lots for premiums and for redemption of loans, as well as to account for the transactions
 - d. To draw plans for extending the network of state savings banks
 - e. To organize the selection and training of personnel
 - f. To inspect the managements of the okrug and okoliya savings banks and to determine the manner in which the other branches of the savings banks will be inspected
 - g. To organize bookkeeping and statistical accounting of savings banks according to the existing laws
 - h. To draw up the balance sheet, profit and loss account, and annual statement of the bank
 - i. To draw up and submit to the Minister of Finance projects on the questions provided for in Article 25 of the present statute.
32. The State Savings Bank is empowered to do the following:
- a. To open or close savings banks with the approval of the Minister of Finance
 - b. To open accounts in the Bulgarian National Bank in its own name and in the name of its departments
 - c. To issue instructions for reserves on deposits and state loans.

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33. The chairman of the State Savings Bank is empowered to do the following:

- a. To direct the activity of the State Savings Bank and to represent it
- b. To appoint and dismiss employees of the bank in accordance with the table of organization, approved by the Minister of Finance, with the exception of the officials mentioned in Article 29 of the present statute
- c. To conclude and sign general agreements with establishments and organizations, in connection with questions on organization and activities of the State Savings Bank
- d. To purchase and pre-empt property and make other transactions in connection with the duties entrusted to the State Savings Bank
- e. To issue power of attorney for instituting and carrying out legal proceedings of the bank before the courts and administrative institutions.

B. Managements of Okrug Savings Banks

34. General managers are placed at the head of managements of okrug savings banks.

35. The managements of okrug savings banks have the following duties:

- a. To encourage thriftiness and to organize savings in the okrugs by using all forms of propaganda
- b. To organize and carry out the subscriptions for internal state loans in the respective okrugs and to examine and destroy redeemed government bonds in the manner prescribed by the Main Office of the State Savings Bank
- c. To submit for approval by the Main Office of the bank plans for encouraging the population to deposit their savings and for the development of the network of savings banks in their respective okrugs
- d. To organize the selection and training of personnel
- e. To exercise constant supervision over the savings banks in the okrugs
- f. To keep books and gather statistical data on the operations of the savings banks in the okrugs, as well as to draw up general balance sheets and accounting reports and to submit them to the Main Office of the State Savings Bank.

36. The managers of okrug savings banks are empowered to do the following:

- a. To appoint and dismiss employees of okrug savings banks and okoliya savings banks, according to the table of organization, approved by the chairman of the Board of Managers of the State Savings Bank
- b. To dispose of the accounts opened in the name of okrug savings banks in the Bulgarian National Bank
- c. To purchase and pre-empt property, acting on behalf of the Main Office

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d. To carry on legal proceedings before the courts and administrative institutions.

C. Okoliya and Rayon Savings Banks

37. Managers are in charge of okoliya and rayon savings banks.

38. The okoliya and rayon savings banks have the following duties:

a. To set up and close agencies from third to first class, in accordance with a decision of the Main Office of the State Savings Bank

b. To manage the agencies and supervise their activity

c. To accept and make payment on deposits and to perform other operations prescribed in Articles 11, 12, and 13 of the present statute

d. To organize and carry out subscriptions for internal state loans in the area of their respective okoliyas or rayons; to collect the payments on subscriptions of state loans; to make payments on coupons and premiums of bonds; to make payment on bonds submitted for redemption or on those selected by drawing lots; to accept government bonds for safekeeping; and to supervise the accounting for subscriptions of internal state loans

e. To submit to the management of the okrug savings banks plans for encouraging the population to deposit their savings and for developing a network of savings banks in their respective rayons

f. To work for the fulfillment of the plan for savings and state loans

g. To keep books and gather statistical data for their own operations and the operations of the agencies in their respective rayon, as well as to draw up balance sheets and accounting reports and submit them to the management of the okrug savings banks

h. To examine the books and inspect the activity of the bank agencies in their respective rayons.

39. The managers of okoliya or rayon savings banks are empowered to do the following:

a. To appoint and dismiss employees of their banks, as well as those of the agencies, according to the table of organization approved by the chairman of the Board of Managers of the State Savings Bank

b. To dispose of the account opened in the name of the respective okoliya or rayon savings banks with the Bulgarian National Bank, as well as to carry on legal proceedings before the courts and administrative institutions on behalf of the Main Office of the State Savings Bank.

D. Operations of the State Savings Bank Carried Out by Telegraph and Post Offices

40. Telegraph and post offices accept and make payments on deposits for the account of the State Savings Bank and perform the operations prescribed in Articles 10, 11, 12, and 13 of the present statute on a commission basis, according to a contract signed between the Ministry of Posts, Telegraph, and Telephones and the State Savings Bank.

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These operations are performed by employees of the Ministry of Posts, Telegraph, and Telephones.

E. First-Class Agencies

41. The first-class agencies of the State Savings Bank are supervised by chiefs.

42. The first-class agencies have the following duties to perform: to accept and make payments on deposits, to make transfers, to issue and make payments on letters of credit, to make payments on coupons and premiums of internal state loans, to pay off bonds drawn by lot or those due for redemption, and to accept government bonds for safekeeping.

F. Second-Class Agencies

43. The second-class agencies are organized on a commission basis at establishments, enterprises, and organizations. They are run by controllers, on the payroll of the State Savings Bank, and disbursing officers who fulfill their duties concurrently with their work at the establishment, enterprise, or organization to which the agency is attached. In performing operations for the State Savings Bank, the disbursing officers receive supplementary compensation from the respective establishment, enterprise, or organization. The amount of this compensation is determined by the Minister of Finance.

The second-class agencies are managed by controllers.

The disbursing officers of agencies are designated by the managements of establishments, enterprises, or organizations to which an agency is attached and are appointed by the chiefs of the okoliya or rayon savings banks.

44. The second-class agencies have the following duties: to accept and make payments on deposits, to make transfers, to make payments on letters of credit, premiums, and coupons of state loan bonds, as well as of bonds which have been drawn by lot or have become redeemable.

G. Third-Class Agencies

45. The third-class agencies of the State Savings Bank are organized on a commission basis at general cooperatives and at other enterprises, establishments, and organizations.

They are serviced by one or two employees of the respective establishment, enterprise, or organization at which the agency is organized and they perform their duties in the agency concurrently with their regular work. In performing the operations of the State Savings Bank, they receive from the respective enterprise, etc., supplementary compensation, determined by the Minister of Finance.

These officials of the agency are designated by the managements of the respective enterprise, etc., to which the agency is attached, and are appointed by the managers of the okoliya or rayon savings banks.

46. The third-class agencies of the State Savings Bank may accept and make payments on deposits, as well as make transfers.

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V. RESOURCES OF THE STATE SAVINGS BANK

47. After retaining the necessary reserve for ready cash, the State Savings Bank deposits the total amount of savings in an interest-bearing account with the Bulgarian National Bank.

48. The proper resources of the State Savings Bank are composed of the following: (a) principal fund; (b) reserve fund; and (c) other funds provided for by a decree of the Council of Ministers.

49. The principal fund of the State Savings Bank is composed of its own buildings, installations, and other property.

50. The reserve fund is fixed at 5 percent of the amount of the deposits and is established by deductions from the profits of the State Savings Bank. The reserve fund is intended for covering eventual losses of the bank.

If the losses of the bank are larger than the reserve fund, the difference is made up by the state budget.

51. The revenue of the State Savings Bank comes from the following:

- a. Interest on the money deposited in the Bulgarian National Bank
- b. Funds from the state budget for covering the expenses incurred in connection with state loans
- c. Fees and taxes collected from individuals or from enterprises, establishments, and organizations, for performing banking operations.

Administrative expenditures are made according to the budget approved by the Council of Ministers on the recommendation of the Minister of Finance.

52. After the approval of the annual accounting report, the net profits of the State Savings Bank are distributed as follows: 50 percent is absorbed by the state budget and 50 percent goes to the reserve fund of the bank.

If the reserve fund reaches 5 percent of the total amount of deposits, the whole profit is absorbed by the state budget.

VI. TEMPORARY PROVISIONS

53. The positions of the employees of the State Savings Banks are determined by a special table of organization. They enjoy the same privileges and have the same obligations as government employees.

The Minister of Finance is authorized to increase or decrease the number of personnel of one department of the State Savings Bank by decreasing or increasing the number of employees in another department.

54. The accounting books, bank statements, and other documents of the State Savings Bank can be used as official evidence, just as are the documents of government departments.

55. The Main Office, and the okrug, okoliya, and rayon savings banks keep accounting books.

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56. The agencies do not have an accounting system of their own.
57. The present reserve fund of the Postal Savings Bank is transferred to the reserve fund of the State Savings Bank.
58. Computation of interest on the deposits in the former Postal Savings Bank to the time of their decentralization will be done as heretofore on the 1st or 16th day of the month.

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